

Message Text

LIMITED OFFICIAL USE

PAGE 01 MILAN 00162 261609Z

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01

USIA-06 PRS-01 SP-02 EB-08 COME-00 /038 W

-----261654Z 053380 /53

R 261400Z JAN 77

FM AMCONSUL MILAN

TO SECSTATE WASHDC 5196

INFO AMEMBASSY ROME

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE MILAN 0162

E.O. 11652: N/A

TAGS: ECON, PINT, PGOV, PFOR, IT

SUBJECT: CABLE FROM VARESE

REF 76 MILAN 0999

SUMMARY: ITALY'S MOST INDUSTRIALIZED PROVINCE IS AT
NEARLY FULL THROTTLE. ITS CHRISTIAN DEMOCRATS ARE STRONG
AND GETTING STRONGER. THERE IS ACTIVE SUPPORT FOR EUROPEAN
UNITY AND CALLS FOR A MORE ACTIVE US PRESENCE IN EUROPE.
END SUMMARY.

1. CONSULTATIONAS IN VARESE JAN 25 WITH PARTY, TRADE
UNION, GOVERNMENT, PRESS AND INDUSTRY LEADERS REVEAL A
BRIGHT ECONOMIC PICTURE AND HOPEFUL POLITICAL OUT-
LOOK. VARESE, WITH A VERY BROAD RANGE OF MANUFACTURING,
DID NOT ESPECIALLY SUFFER EVEN AT WORST POINT OF 1975
CYCLICAL DOWNTURN. TODAY, ALL OUR CONTACTS AGREE THAT
ECONOMY IS IN GREAT SHAPE WITH SHORT TIME DRASTICALLY
CUT, ORDERBOOKS FULL, SKILLED LABOR NOT TO BE FOUND,
TWO AND THREE WAGE EARNERS PER FAMILY COMMON AND ABSEN-
TEEISM DOWN. IN FACT, MOST CONVERSATIONS LED OFF WITH
SIMPLY, IF NOT NECESSARILY ACCURATE, CONCLUSION THAT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MILAN 00162 261609Z

VARESE WAS BEST OFF PROVINCE IN ITALY. AS IN PAST,
LOCAL LEADERS DO NOT WANT FURTHER XPANSION OF INDUSTRY OR
NEW JOBS CREATED. THEY WANT UP-GRADE EXISTING ECONOMY,
INCREASE PRODUCTIVITY AND PROTECT ENVIORNMENT WHILE
REDUCING POLLUTIOF THEIR FOOT-OF-THE-ALPS PROVINCE.

2. POLITICAL PICTURE EQUALLY INTERESTING. N JUNE 76

ELECTIONS, DC INCREASED SHARE OF VOTE COMPARED 72 PARLIAMENTARY ELECTIONS TO OVER 42PERCENT AND SHARPLY UP FROM 1975 LOCAL ELECTIONS. PCI, HOWEVER, ROSE FROM 17 TO 26 PERCENT ALTHOUGH IT GAINED ONLY ONE POINT COMPARED TO 1975. PSI DROPPED FROM 13PERCENT TO 10 PERCENT. IN THIS SITUATION, LOCAL DC RIDING HIGH. DC MAYOR IMPRESSIVE BROTHER MIN OF FOREIGN TRADE OSSOLA IS IN RUNNING SKIRMISH WITH YOUNGER GENERATION OF PARTY LEADERS NOW CUTTING THEIR POLITICAL TEETH. BUT DC APPEARS TO BE IN GOOD SHAPE NEW CREW OF MEN N THIRTIES HAVING TAKEN OVER PROVINCIAL PARTY AND WITH GROWTH OF COMUNIONE E LIBERAZIONE MOVEMENT THAT ELECTED ALL FOUR OF ITS CANDIDATES TO CITY COUNCIL AND PLACED THEM AMONG TOP SIX IN PREFERENTIAL VOTES. PROVINCIAL PARTY SECRETARY AND MAYOR BOTH OPPOSED TO DC LEFT WING. BOTH MAYOR AND PARTY LEADERS REPORT SHARP UPSWING IN YOUTH PARTICIPATION--ESPECIALLY TEENAGERS--, A TOTAL REVERSAL OF SITUATION SEVERAL YEARS AGO. TODAY, DC SPOKESMEN CONFIDENT THEY COULD IMPROVE SHARE OF VOTE IN NEW ELECTIONS PRIMARILY BY ABSORBING PSDI, PLI, AND PARTS OF PRI AND MSI.

3. PSI ALSO IN HANDS OF YOUNG LEADERS. PROVINCIAL SECRETARY IS IN EARLY TWENTIES BUT SPEAKS WITH SELF ASSURANCE, COMMAND OF FACTS AND MODERATION. A CRAXI SUPPORTER, HE SHOWED NONE OF OLD TIME MAXIMALIST PASSION AND SAID THAT REFORMS IN TRADE UNION WORK RULES LONG OVERDUE. VERY FRIENDLY TO US, HE FAVORED EUROPEAN UNIFICATION AND EXPANSION EUROPEAN SOCIALIST MOVEMENT AS ESSENTIAL TO ITALIAN DEMOCRACY. WHILE CONFIDENT THAT PSI DECLINE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MILAN 00162 261609Z

HAS BOTTOMED OUT AND THAT PCI HAS CRESTED, HE WARNED THAT GOVERNMENT PROGRAM TO CONTAIN FINFLATION HAS TO BE CAREFUL NOT PRECIPITATE DEPRESSION THAT ONLY SERVES COMMUNISTS.

4. UIL SECRETARY SUPPORTED BENVENUTO'S POSITION IN PRESENT LABOR COST NEGOTIATIONS BUT WORRIED THAT HIS NEGATIVE APPROACH POOR IN LONGER TERM. RIGHT NOW IT WAS GETTING UIL NEW MEMBERS--AS HE DEMONSTRATED WITH A SHEAF OF NEW APPLICATIONS. BUT PROTEST ENROLLMENTS WERE NOT VERY DURABLE, HE FEARED. WHILE AGREEING IMPORTANCE MODIFYING WAGE ESCALATOR SYSTEM, SECRETARY WARNED THAT IF THESE LABOR SACRIFICES FOLLOWED BY CONTINUED INFLATION, WORKINGMAN WOULD BE CAUGHT IN INCOME SCISSORS THAT WOULD LEAD TO STAMPEDE TO PCI. HE COMPLAINED THAT US FAILING PRESENT ITS VISION OF SOCIETY TO ITALIAN PUBLIC. RESULT WAS THAT AT GREASS ROOTS, INCREASINGLY ONLY SOVIET MODEL OF SOCIETY HELD BEFORE WORKINGMAN. HE DID NOT ENDORSE US SOCIETY IN ALL RES-

PECTS, BUT IT WAS BASICALLY DEMOCRATIC IDEAL THAT ITALY
NEEDED AS GUIDE TO AVOID TRAP OF SOVIET YSTEM.
US SHOULD BE LESS HESITATNT PRESENT ITS VIEWS THROUGHOUT
COUNTRY, HE URGED.

5. SIMILAR PLEA MADE BY YOUNG DC LEADERS WHO SAID THEIR
GENERATION GREW UP IN DEMOCRATIC STATE ADE POSSIBLE BY
US DEFEAT OF AXIS AND HOLDING OFF OF SOVIET UNIO.
THEY WERE VOLUNTEER WORKERS COMMITTED TO HELP PRESERVE
THAT DEMOCRATIC SOCIETY AND WANTED MORE ENERGETIC US
IDEOLOGICAL LEADERSHIP. THIS MEANT US ACTIVE SUPPORT
FOR A UNITED EUROPE (ESPECIALLY AS CRUCIAL O 1978 EUROPEAN
PARLIAMENT ELECTIONS APPROACHED) AND US LEADERSHIP IN
SOLVING WORLD ECONOMIC PROBLEMS.

6. IN CONCUSION, VARESE SEEMS BETTER OFF THAN EVER,
BOTH IN ECONOMIC AND POLITICAL TERMS. ONLY COMPLAINT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 MILAN 00162 261609Z

WORTHY OF NOTE MADE BY MAYOR WHO CRITICIZED
TREATY OF WESTPHALIA FOR FAILING TO INCLUDE VARESE IN
SWITZERLAND.FINA

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MILAN00162
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770028-0785
Format: TEL
From: MILAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770117/aaaaaoia.tel
Line Count: 142
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 362908d1-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MILAN 999
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3497214
Secure: OPEN
Status: NATIVE
Subject: CABLE FROM VARESE
TAGS: ECON, PINT, PGOV, PFOR, IT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/362908d1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009